**Current News**

Current news on the latest developments in fertilizer, energy, weather, agriculture, agri-business, logistics, economy, and other related areas

*(The views expressed in the news items are not necessarily of FAI)*

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**ENERGY**

Govt offers 8 oil & gas blocks for bidding in seventh round
*The last date of submission of bids is February 15 next year*

The Petroleum Ministry has offered eight oil and gas blocks spread across 5 States covering 15,766 square kilometers in the seventh bid round of the Open Acreage Licensing Policy (OALP). The last date of submission of bids is February 15 next year.

With the objective to augment domestic production of petroleum, the Centre has announced the offer of eight oil and gas blocks under the Hydrocarbon Exploration and Licensing Policy (HELP) through international competitive bidding (ICB) for petroleum operations, said the Directorate General of Hydrocarbons (DGH).

“Companies have been invited to bid for exploration, development and monetisation of the eight oil and gas blocks likely to contain both conventional and/or unconventional hydrocarbon resources, distributed in the sedimentary basins of India. Of the total blocks, five are onland type, while two are shallow water blocks and one is an ultra deep water type block,” it added.

The Assam Arakan fold belt has one block, while the Assam Shelf has two. Rajasthan has one block, whereas one block is in the Satpura basin and two shallow water blocks are in Cambay, off the Gujarat coast. The ultra-deepwater block is in the Cauvery basin.

DGH said that eligible companies, either alone or in consortium, may bid for one or more blocks. Any company or a consortium can put only one bid as an operator or non-operator for one particular block. The bids are to be submitted through the e-bidding portal.

*Source: The Hindu Business Line, Friday, December 17, 2021*
Kuwait extends oil supply deal for Indian refiners to March: Sources

This year, Kuwait had shortened an annual oil supply deal with Indian refiners to 9 months ending in December. Kuwait Petroleum Corp has told buyers in India that their contracts would be extended to March 2022, sources said.

Kuwait has extended oil supply contracts for Indian refiners by three months to March 2022 due to a delay in the commissioning of its 615,000 barrel-per-day Al-Zour refinery, according to people with knowledge of the matter.

This year, Kuwait had shortened an annual oil supply deal with Indian refiners to 9 months ending in December.

Kuwait Petroleum Corp has told buyers in India that their contracts would be extended to March 2022, sources said.

The sources did not elaborate on when the new Kuwaiti refinery would begin operating. KPC did not respond to a request for comment.

India, the world's third-biggest oil importer and consumer, imported about 382,000 barrels per day (bpd) oil from Kuwait in November, the highest since March 2015, trade data showed.

From March to November 2021, India's imports of oil from Kuwait rose by about 45% to 253,000 bpd compared with the same period a year ago, the data showed.

Source: The Economic Times, Monday, December 20, 2021
AGRICULTURE

Rabi sowing: Mustard area continues to rise
Wheat unlikely to meet 110 mt output target, pulses coverage also low

Sowing of key rabi crops such as mustard, gram (chana), lentil (masur) and barley have touched or exceeded the season’s normal acreage this year.

But, 8 per cent of the area is still to be covered in wheat to reach its last five year’s average of 303.06 lakh hectares (lh), according to latest weekly update by the Union Agriculture Ministry.

Wheat sowing stands at 277.71 lh as of Friday, which is 1 per cent down from the year-ago level. As per target set by States, total area under wheat may decline to about 351 lh in the current season from last year’s 355 lh (actual).

Missing the target
Madhya Pradesh — which emerged as largest wheat-procuring State — has already reduced the target to 94.82 lh this year as there was a big gap between last year’s actual acreage (88 lh) and target (103 lh).

“Going by the reports from different States, wheat acreage may marginally decline from last year as farmers have shifted to mustard in many places.

“The targeted production of 110 million tonnes (mt) is likely to be missed and this is good for the government as pressure on procurement will also ease to some extent,” said an agriculture scientist.

The country produced a record 109.52 mt of wheat last year, of which the Centre had procured 43.34 mt, worth ₹85,604 crore (at MSP value).

Farmers have planted more than 89 per cent of the normal sowing area of 625.14 lh under all rabi crops as of December 17 and it is up by 2.6 per cent from the year-ago period. Total area under all crops recorded at 546.08 lh (532.08 lh).

Oilseeds output
The acreage of mustard/rapeseed has jumped by 23.7 per cent at 84.23 lh as on Friday from 68.11 lh year-ago and more than 3 lakh hectares were covered in last week only. As sowing window of mustard is already over, any further increase in data could be due to late compilation, officials said. For 2021-22, the target was set at 75.8 lh with a production of 12.24 mt. The mustard output was 10.1 mt in 2020-21.

Total areas under oilseeds have jumped to 91.75 lh (75.22 lh) mainly because of higher area under mustard.

Cumulative rainfall from the period October 1 to December 17 has been 47 per cent more than normal for the country as a whole and about 82 per cent of the area has received normal are higher rainfall during this period.

Pulses edge down
The areas under all winter-grown pulses reported at 137.19 lh, a tad below year-ago’s 137.26 lh. The season’s normal area (five-year average) is 146.14 lh whereas last year the acreage reached 167.38 lh. There is still time to cover another 30 lh, unless farmers shift to other crops, officials said. The acreage of gram continued to maintain its lead over year ago period in current week as well by registering 1.4 per cent increase at 97.99 lh. Last year, the total area under gram was about 112 lh.

Area under masur is up 5.5 per cent 15.73 lh while barley is higher by 1.2 per cent at 6.14 lh, the data show.

Source: The Hindu Business Line, Saturday, December 18, 2021
Mustard output may top 120 lt on prices ruling above ₹80,000/t

SEA chief: Growers reacting positively to market rates

Our Bureau
Mangaluru, December 20

The Solvent Extractors’ Association (SEA) of India is estimating the mustard crop output at 120 lakh tonnes (lt), provided, the weather condition remains favourable for the rest of the rabi season. In a letter to the members, Atul Chaturvedi, President of the association, said mustard is likely to witness almost 30 per cent higher crop numbers during rabi. “We should not be surprised if the magical figure of 120 lt is achieved in mustard,” he said.

Growers are enthused by the price of rapeseed-mustard seed ruling over ₹80,000 a tonne, an increase of over 30 per cent compared to last year. They have positively responded by increasing area under rapeseed-mustard-taramira to 81.66 lakh hectares as on December 9 compared with 65.97 lakh hectares during the same period a year ago.

“Now if weather condition remains favourable for the remaining rabi period, we could expect a crop of around 120 lt,” he said.

SEA, jointly with Solidaridad, is organising model farms of rapeseed for enhancing the income of farmers with the goal of increasing rapeseed-mustard production to 200 lt within the next four years.

He said around 500 model farms have been set up across 115 villages in the districts of Bundi, Kota, Tonk, Baran, Jhalawar in Rajasthan; and Mandsaur in Madhya Pradesh. The Directorate of Rapeseed and Mustard is also supporting this initiative by providing technical knowledge and support. He said this initiative has helped over 20,000 farmers from Rajasthan and Madhya Pradesh.

Cooking oil prices
Stating that the edible oil sector witnessed a roller coaster ride during 2021, he said first there was demand destruction resulting in collapse of prices and then the return of the pent-up demand. This ensured the retail inflation for oil and fats reaching alarming level of 29.67 per cent during November raising the hackles of not only the bureaucracy but the political class as well.
Government rules out hiking minimum selling price of sugar

The Centre on Friday rejected the sugar industry’s demand for any upward revision of the current statutory minimum selling price of ₹31/kg for the commodity as domestic (ex-mill) prices are higher. It also told the industry to move ahead from a controlled system.

“There is no need to increase the MSP of sugar as of now, as domestic prices are already at ₹34-35 per kg,” Union Food Secretary Sudhanshu Pandey said at the annual general meeting of Indian Sugar Mills Association (ISMA), responding to the industry’s demand.

Earlier, ISMA president Niraj Shirgaokar, in his address, urged that the MSP of sugar be raised to ₹36-37 per kg to cover the industry’s cost of production.

“The decision to increase the floor price of sugar from ₹31/kg, fixed in February 2019, is for some reason not getting finalised by the government. In the last almost 34 months since the price was increased to ₹31 per kilo, the price of sugarcane has been increased by the government twice... Therefore, our cost of production has increased quite substantially in this period,” Shirgaokar said.

At the new sugarcane fair and remunerative price (FRP) of ₹290 per quintal, the industry’s cost of production works out to around ₹36-37 per kg, he said.

Export market

Sugar prices (ex-mill) in Muzaffarnagar, Uttar Pradesh, fell by ₹15-20/quintal to ₹3,460 on Friday from Thursday, while in Delhi it ruled flat at ₹3,505, traders said.

Indian sugar is finding a decent market price in the domestic market as well as good price in the international market, the food secretary said. Pandey also said the MSP system was brought when the prices were falling but now prices are going up.

According to a PTI report, asked if the selling price system will remain or be scrapped, Pandey said: “It depends on international market behaviour, which country is producing how much, whether we have surplus or we have no surplus available. It depends, at the moment we don’t need MSP. Why something cannot be need-based? When it is needed, you use it. when it is not needed, don’t use it.”

“The worry is also that oil companies are not signing long term bipartite contracts with the existing ethanol producers and sugar mills, and yet they are putting us at a lower priority to the new ethanol plants which have been shortlisted by the OMCs for long term supply contracts,” Shirgaokar said.

Other demands

ISMA also continued its demand to implement revenue sharing formula on sugarcane pricing, which has been regularly raised in every AGM. Amid farmers’ demand to legally enforce the minimum support price (MSP) on crops, it is difficult for any government to withdraw a benefit like FRP for sugarcane farmers, experts said.

Pandey also said that for the current 2021-22 season, the secretary said that almost 3.5 million tonnes (mt) of sugar has already been contracted for exports. “We should touch between 5 mt and 6 mt (exports) this year,” he said, adding there is need to balance India’s sugar production as per the requirement of the global market.

Around 2 mt of sugar got diverted during 2020-21 for ethanol production and the number is likely to increase to 3.5 mt this year. By 2025, Pandey said, the target should be to divert roughly about 6 mt of sugar.

Source: The Hindu Business Line, Saturday, December 18, 2021
Cotton market arrivals down 15% till Nov-end as farmers hold back produce

Cotton Association of India pegs market arrivals till Nov-end at 77.76 lakh bales of 170 kg each

Cotton growers are seen holding back their produce in anticipation of higher prices. This is reflected in the market arrivals of cotton, which are down by about 15 per cent till November end over the same period last year.

In its latest estimates, the Cotton Association of India (CAI), the apex trade body, has pegged the market arrivals till November end at 77.76 lakh bales of 170 kgs each as compared to the same period last year’s 91.57 lakh bales.

Atul S Ganatra, President, CAI told BusinessLine that apart from farmers holding back their produce expecting higher prices, the unseasonal rains during October and November that impacted the pickings has also affected the market arrivals.

For the cotton marketing season 2021-22 starting October 1, CAI has pegged the crop size at 360.13 lakh bales, higher than the previous year’s 353 lakh bales. CAI sees domestic demand flat at last year’s level of 335 lakh bales.

In its monthly balance sheet for November 2021, the CAI has estimated total supply at 154.76 lakh bales of 170 kgs, lower than the same period last year’s 201.07 lakh bales.

The supply as of November-end this year consisted of the market arrivals of 77.76 lakh bales (91.57 lakh bales in the same period last year), imports of 2 lakh bales (2 lakh bales) and opening stocks as of October 1, 2021 at 75 lakh bales (107 lakh bales as of October 1, 2020).

CAI said the consumption during October-November this year stood lower at 55.83 lakh bales (57.50 lakh bales) while exports during the period were also down at 7 lakh bales (12 lakh bales). The November end stocks estimated by CAI stood lower at 91.93 lakh bales (131.57 lakh bales). Stocks held by mills in their godown is estimated at 56 lakh bales (40 lakh bales). On average, mills hold 60-day stocks in their godowns, CAI said.

The Cotton Corporation of India, Maharashtra Federation, multinational companies, ginners, traders and exchanges are estimated to have a total stock of about 35.93 lakh bales (97.29 lakh bales) as of November end.

Total stock held by spinning mills and stockists including the stock of cotton sold but not lifted as of November 30 works out to 91.93 lakh bales (131.57 lakh bales), CAI said.

Source: The Hindu Business Line, Saturday, December 18, 2021
Govt will focus on reducing compliance burden: PM Modi assures India Inc during pre-Budget meet

Since coming to power in 2014, the BJP government has unveiled a series of reforms that have helped India climb on the global ease of doing business ranking.

Prime Minister Narendra Modi on Monday met top business leaders as part of a series of such pre-budget interactions with industry that is aimed at boosting the country’s investment climate.

Finance minister Nirmala Sitharaman, who is scheduled to present the Union budget for 2022-23 on February 1, and commerce and industry minister Piyush Goyal were also present at the meeting.

The prime minister heard suggestions from leading chief executives of about 20 companies across industries including banking, infrastructure, steel, automobiles, telecom, consumer goods, textiles, renewables, hospitality, tech, healthcare, space and electronics. He also interacted with top representatives of startups, venture capital firms and private equity funds.

Modi said the government “is firmly committed to take initiatives” that would give impetus to economic progress. While the government would support the industry, he also said it wanted industry to grow, continue to invest and take risks.

“The PM said that just like the country aspires for a podium finish at the Olympics, the country also wants to see our industries among the top five of the world in every sector, and this is something for which we should collectively work towards,” an official statement said quoting Modi.

Modi, it added, also called on the corporate sector “to invest more in areas such as agriculture and food processing,” and about the shifting focus on natural farming.

According to a separate statement from the Prime Minister’s Office, Modi discussed efforts undertaken by the government to usher in more reforms, the future potential of initiatives like PM GatiShakti, and steps taken to reduce unnecessary compliance burden.

The prime minister’s maiden pre-budget session with industry hotshots comes in the backdrop of rising Covid-19 cases with the new variant Omicron threatening economic recovery.

A senior industry source said, “this is one of the many interactions being done by the PM ahead of the budget to receive inputs and suggestions from the private sector.”

The CEOs who attended the meeting were unanimous about being “emboldened and encouraged” by the PM’s vision and that the industry would put its best foot forward in realising it.

They also told the PM that while industry continued to work on vaccinations, the government needed to come up with a view on booster doses and provide a roadmap for industry to transition to a greener future.

The interaction also underlined the importance of knowledge-intensive and tech-intensive growth in addition to capital-intensive growth and on steps to further ring in ease of doing business.

Uday Kotak, chief executive of Kotak Mahindra Bank, said after the meeting that the time had come for the banking and financial sector to think about scale without fear. The sector, he said, was ready to support industry across SIDI, or ‘sustainability, inclusion, digital and infrastructure’.

Rajesh Gopinathan, CEO of IT services provider TCS, said the PM’s call to every industry to be amongst the top five in global rankings, would energise the country to go way beyond its current success and strive for much more. “It’s like asking every Indian to strive towards getting an Olympic gold medal.”

Maruti Suzuki managing director Kenichi Ayukawa said industry was committed to making India a manufacturing hub for the world, increasing exports and localisation.

Most foreign investors, he said, like to invest in India as they have faith in the policies initiated by the prime minister.
"If he is here, we can invest, and his grand vision, including PLI (Production-linked Incentive) scheme and other policy support, will help development and industry growth," he said.

Other industry chiefs who participated included Mallika Srinivasan, CMD, Tractors & Farm Equipment; Sumant Sinha, CMD, ReNew Power; Pawan Goenka, the head of SCALE Committee at the Ministry of Commerce, and Ritesh Agarwal, CEO of budget hospitality chain Oyo.

Representatives of the steel industry told the prime minister that nearly Rs 1 lakh-crore of investments had been announced for the next few years between JSW, JSPL, Tata Steel and ArcelorMittal-Nippon Steel.

Oyo’s Agarwal underlined the importance of startups and how they can continue to play a big role in creating jobs and usher in investments.

*Source: The Economic Times, Tuesday, December 21, 2021*
In FY22, India will grow the fastest in the world: Amit Shah

Shah said out of the 22 parameters of the economy, India has exceeded in 19 parameters, and this shows that the country has come out strong from the crisis.

Union Home Minister Amit Shah on Friday said that India is likely to become the fastest-growing economy in the world in the current financial year. "We are reaching the pre-COVID levels. July to September GDP number has been at 8.4 per cent and I think in the year 2021-22, India is likely to become the fastest-growing economy in the world. I will not be surprised if we touch double-digit growth," Shah said while addressing FICCI's Annual Convention & 94th Annual General Meeting.

Shah said out of the 22 parameters of the economy, India has exceeded in 19 parameters, and this shows that the country has come out strong from the crisis. "Both manufacturing and service sector index has reached the pre-COVID levels. With the announcements of various packages and relief, our inflation is within the targeted range of 4-6% as set by the government," he added.

Highlighting the potential of the MSME sector, Shah said that till the time "we encourage and strengthen this sector we cannot address the issue of unemployment in the country". He also emphasised on the need of spending more in the R & D sector.

The Home Minister pointed out that FICCI's Annual General Meeting was happening at an important juncture as the world is slowly coming out of COVID and on the other hand, India is celebrating Azadi ka Amrit Mahostav. The time has come for FICCI to increase its role in India's growth, he noted.

Shah further said that some decisions of the Narendra Modi-led central government may not be correct but no question can be raised on the intent of the government. While addressing the 94th Annual General Meeting of the Federation of Indian Chambers of Commerce and Industry (FICCI), Shah said, "You may find that some decisions were not correct, but no one can say that intentions were wrong."

He further emphasised on the need for FICCI to identify, collaborate and prepare a roadmap of potential sectors for next 25 years when India will celebrate its 100 years of Independence. The vision of Atmanirbhar Bharat can be achieved when organisations like FICCI come forward and work with the government on various policies, he added.

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Source: The Economic Times, Saturday, December 18, 2021

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